

Listing of Claims

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1. (Currently Amended) A method for issuing a derivative contract to a buyer comprising:

providing an index ~~that represents a measure of~~ that is determined in accordance with a rate at which -commercial market volatility investments associated with the index move up and down in price;

assigning a target value for the index at an expiration of the derivative contract;

identifying a premium for the derivative contract;

estimating, using a computer processor, a return value to pay the buyer at the expiration if the target value is attained; and

issuing the derivative contract to the buyer in accordance with the premium, expiration, and return value.

2. (original) The method of claim 1 wherein the identifying comprises:

providing payment from a seller to the buyer.

3. (original) The method of claim 1 wherein the providing comprises:

presenting an investment benchmark of returns available to a momentum strategy applied to a diversified portfolio of commercial market futures.

4. (original) The method of claim 1 wherein the providing comprises:

determining the index in accordance with equal-weighted, unleveraged investments in commercial markets.

5. (original) The method of claim 4 wherein the determining comprises:

choosing the commercial markets from sectors, the sectors including at least one of currencies, financials, grains, metals, meat, softs, energy, and combinations thereof.

6. (original) The method of claim 1 wherein the providing comprises:

developing the index by taking long and short positions to reflect a range of hedger activity driving returns in markets.

7. (original) The method of claim 1 wherein the providing comprises:

determining the index by selecting markets based on at least one of liquidity, investability, diversification, and combinations thereof.

8. (original) The method of claim 1 further comprising:

trading the derivative contract on an exchange; and  
charging an exchange fee for at least one of selling and purchasing the derivative contract.

9. (Currently Amended) A method for issuing a derivative contract to a buyer comprising:

providing an index that is determined in accordance with a rate at which commercial market investments associated with the index move up and down in price  
~~represents a measure of commercial market volatility~~, the index including commercial markets chosen from sectors, the sectors including currencies, financials, grains, metals, meat, softs, energy, and combinations thereof;

assigning a target value for the index at an expiration of the derivative contract;

identifying a premium for the derivative contract;

estimating, using a computer processor, a return value to pay the buyer at the expiration if the target value is attained;

issuing the derivative contract to the buyer in accordance with the premium, expiration, and return value;

trading the derivative contract on an exchange; and

charging an exchange fee for at least one of selling and purchasing the derivative contract.

10. (Currently Amended) A system for issuing a derivative contract to a buyer comprising:

a database for storing market data used to calculate an index that is determined in accordance with a rate at which commercial market investments associated with the index move up and down in price ~~that represents a measure of commercial market volatility~~; and

a processor that calculates the index, associates a target value with the index at an expiration of the derivative contract, associates a premium with the derivative contract, estimates a return value to pay a buyer at the expiration if the target value is attained, and issues the derivative contract to the buyer in accordance with the premium, expiration, and return value.

11. (original) The system of claim 10 wherein the derivative contract comprises at least one of futures contracts, options on futures contracts, and combinations thereof.

12. (original) The system of claim 10 wherein the market data comprises values of investments in commercial markets.

13. (original) The system of claim 12 wherein the commercial markets comprise markets chosen from sectors, the sectors including at least one of currencies, financials, grains, metals, meat, softs, energy, and combinations thereof.

14. (original) The system of claim 10 wherein the index is calculated in accordance with a portfolio of commercial markets.

15. (original) The system of claim 14 wherein the commercial markets comprise liquid markets.

16. (original) The system of claim 10 wherein the index generates signals using a unit asset value.

17. (original) The system of claim 16 wherein the unit asset value is calculated by the equation:

$$UAV_{(today)} = UAV_{(yesterday)} \times (1 + \text{Pct Chg (Closing Price)})$$

where:

$$\text{Pct Chg (Closing Price)} = (\text{Close}_{(today)} - \text{Close}_{(yesterday)}) / \text{Close}_{(yesterday)}$$

18. (original) The system of claim 17 further comprising a market value constructed from the unit asset value, wherein the market value is calculated from the equation:

$$MV_t = MV_{t-1} + [(UAV_t - UAV_{t-1}) \times POS_t \times AF_t]$$

where:

$MV_t$  = Market value at time  $t$ ;

$MV_{t-1}$  = Market value at time  $t-1$ ;

$UAV_t$  = UAV at time  $t$ ;

$UAV_{t-1}$  = UAV at time  $t-1$ ;

$POS_t$  = Position at time  $t$ ;

$MV_0$  = Market value at time (0) = UAV on the day prior to market entry; and

$AF_t = \frac{MV_t}{UAV_{t-1}}$  = Adjustment factor at time  $t$ .

19. (Currently Amended) A system for issuing a derivative contract to a buyer comprising:

a database for storing market data for commercial markets used to calculate an index that is determined in accordance with a rate at which commercial market investments associated with the index move up and down in price that represents a measure of commercial market volatility, the index including commercial markets chosen from sectors, the sectors including at least one of currencies, financials, grains, metals, meat, softs, energy, and combinations thereof; and

a processor that calculates the index, associates a target value with the index at an expiration of the derivative contract, associates a premium with the derivative contract, estimates a return value to pay a buyer at the expiration if the target value is attained, and issues the derivative contract to the buyer in accordance with the premium, expiration, and return value.